

**Technical Review and Preliminary Comments on the
Florence Copper Inc. Production Test Facility (PTF) Class III Permit Pre-operational and
Well Construction Reports
DRAFT FOR CONFERENCE CALL DISCUSSION
ON OCTOBER 9, 2018**

Appendices F, H, I, and J – Well Construction and Testing Reports

Several monitoring wells did not have successful pressure tests. These include well M55-UBF, M56-LBF, M61-LBF, and MW-01-LBF.

- a. What was the source/reason of the internal MIT issue in wells M55-UBF, M56-LBF, M61-LBF, and MW-01-LBF?
- b. Discuss the integrity of wells M55-UBF, M56-LBF, M61-LBF, and MW-01-LBF.

The cement in well M56-LBF does not extend through the middle fine-grained unit. This well also did not have a successful pressure test.

- c. How does water quality compare between the upper basin fill and lower basin fill formations at well M56-LBF?
- d. Discuss integrity of well M56-LBF.

There are no conductivity monitors on the injection wells.

- e. How will Part II mechanical integrity be verified for the injection wells?

The cement bond logs indicated the presence of some areas of weaker cement in some wells. These included: well M58-O at 420' bgs, well M61-LBF at 420' bgs, well MW-01-LBF below 280', well MW-01-O below 280' bgs, well I-01 below 240' bgs, well I-02 at less than 240' bgs, well R-01 at 420' bgs, well R-02 between 148 and 154' bgs, well R-04 from 280' to 380' bgs, well R-05 at 360' bgs, well R-08 from 0 to 492' bgs and WB-02 at 280' bgs.

- f. Discuss the integrity of the cement in the wells M58-O, M61-LBF, MW-01-LBF, MW-01-O, I-01, I-02, R-01, R-02, R-04, R-05, R-08, and WB-02.

The as-built drawing and report indicates the well MW-01-LBF is 440 feet deep, while the Arizona Well Registry Report lists a depth of 660 feet.

- g. Please explain the discrepancy in depths of well MW-01-LBF between the as-built drawings and the Arizona Well Registry Report.

The completion report indicates that well I-03 was plugged at 1,188 feet due to damage by a dropped pipe leading to a screen breach. This is not indicated in the as-built drawings.

- h. Please correct the as-built drawing for well I-03 to indicate the plugging of the well due to the screen breach.

Well O-05 was plugged and abandoned after it was determined that the well casing had been breached. The diagram provided in the abandonment report is not clear to what depth the cement plug in the well reached.

- i. What is the extent of the cement plug in abandoned well O-05a?

The completion report indicates that the conductivity sensors installed on the monitoring wells are not recording instruments.

- j. Discuss and clarify how conductivity measurements will be taken in accordance with part E.3.ii.F.6 of the permit.